

MINUTES

Citizen's District Council Meeting
City of Muskegon CDBG
Conference Room 203
Muskegon, Michigan
Tuesday, May 7, 2013

CALL TO ORDER

The meeting was called to order by the Vice-Chairman, Chris Carter at 5:40 p.m.

ROLL CALL

Roll call was taken by Laura Hichue

Present: Chris Carter, Addie Sanders-Randall, Billie Quinn, Rosalind Ford,
Lea Markowski
Excused: Tom Pastoor
Absent: Lori Rasmussen, Virgie Jackson
Staff Present: Oneata Bailey, Laura Hichue

APPROVAL OF MINUTES

Rosalind Ford made a motion to approve the minutes from the April 11, 2013, meeting. Billie Quinn seconded the motion which passed unanimously.

OLD BUSINESS

• ACTION PLAN

Oneata explained that the Action Plan was still available for comment until May 18, 2013 and there would be a public hearing on May 14 during the City Commission meeting and May 16 in the Commission Chambers. No comments had been received yet. She further explained the last time there were public comments was when there were several cuts made to the budget, but none had been made recently.

Oneata stated that the City's HUD representative had reported to her they did not want the Action Plan sent in after the public comment period but rather wait until the final budget figures are in. Once those figures are in, the budget will go before the City Commission and a final budget will be posted in the newspaper what is being proposed. If the amount comes in higher than expected, more money will be budgeted for housing repairs and other City programs.

Oneata suggested the Board go through the Action Plan and if they have any questions to please contact her prior to the end of the comment period.

Mr. Carter asked if the CHDO's have been notified of their allocations yet.

Oneata stated they have not and are probably waiting for the final figures; she does not see the Commission changing the amounts but will wait and see after the Public Comment hearing.

NEW BUSINESS

- **LIEN LOOKUP**

Oneata explained that the City has a procedure where staff can look up information on what fees a particular property are owed to the City, similar to a title search. She gave an example of how an applicant requesting assistance with their electrical service has liens on their property from unpaid environmental fees. Currently there is no policy on whether to withhold assistance when there are unpaid fees; the only fees that are checked upon application are property taxes, which must be current. Her question to the Board is should assistance be withheld when there are outstanding fees or should the repairs be made anyway.

Mrs. Quinn stated the electrical should be repaired due to it being a fire hazard.

Oneata provided more information on the particular case and stated that the fees could be mentioned to the owner's caseworker but would proceed with the repairs.

Oneata asked what should be the procedure for future cases; should the lien lookup be used in all cases? Besides the requirement for property taxes to be paid, the house insurance must be current, the owner has to live in the house and has been an occupant for at least one year. There are also income qualifications. In this particular case the owner meets all the requirements.

Discussion took place whether looking up all liens should be made a step in the process for providing assistance.

Mr. Carter stated that the information should be looked up but possibly set up a policy that if they owe the City over a certain amount that that be paid before assistance is given. He doesn't want people taking advantage of City services.

Commissioner Markowski stated that sometimes owners need reminders of what they may owe and possibly have the policy be that if they owe over a certain amount that it *may* delay or deny the process. We don't want to discourage people from applying but make them aware that this could happen.

Mr. Carter stated that something should be a procedure in place to make the citizen aware of what is owing.

Oneata stated the new funds would be in place July 1 and a new procedure could be in place at that same time now that we know it is easily accessible in house to look up.

Commissioner Markowski stated that the policy should be worded positively and still encourage people to apply for assistance rather than be afraid that having a bill would be a denial for assistance. This may help in not having liens get too large and not-manageable.

Mr. Carter stated that possibly having a payment plan agreed upon with the client would hold them accountable for the money owed but still let them receive assistance.

Commissioner Markowski stated that the applicant should be aware that we would be looking up that information.

Oneata asked if that should be put in the information brochure.

Mr. Carter said it should be and it may discourage some people that do owe a lot to the City from asking for assistance.

Commissioner Markowski stated that the policy should include: Encourage everyone to apply but be aware that a lien lookup would be required for all applicants and a payment plan would be required to be established for any past due amounts for any service owed to the City. This would become effective July 1, 2013.

Mrs. Ford made a motion to include the above procedure in the application process beginning July 1, 2013.

Mrs. Randall seconded the motion which passed unanimously.

- **FOREVER LIENS**

Oneata explained the Forever Lien program and that the liens would not be subordinated; therefore the term "forever". These were established in the 1990's when a house had a complete rehabilitation through the department. Half of the total amount was forgiven over a 5 year period and the remaining half would be there forever. Oneata stated there were a few people that had paid them off early and in order not to be unfair, the City's policy has been not to erase the debt but let the owners continue to make payments on the half still owing.

One case that has recently come to the department is a property with a forever lien but now has a leaking roof. Since there is a current lien on the property, it should disqualify them from receiving another service, but they are making payments on the forever lien. When someone is making payments to the City but the repairs are not holding up what should the procedure be at that point if they need another service.

Another example Oneata gave was the case of an elderly couple who has a forever lien and owes approximately \$25,000; the roof has deteriorated so badly and is on the verge of collapsing. The City attorney was contacted about the situation because of the forever lien and the state of disrepair; he stated the City could not put on a new roof. He stated we could offer to have the owners sign the house over to the City and the City would pay for relocation costs. The owners were provided a list of possible places that were available. If they agreed to do that the City would have the house demolished and discharge the lien. In this case, the City has been paying the taxes and insurance on the property; the owner has been paying \$100 per month which was less than the City pays over the year so they did ask the owner to pay a little more to cover what the City was paying out. The owners do not want to move and want to do repairs themselves.

Discussion took place regarding the situation the owners were in.

Mr. Carter asked if any estimates for repair had been made.

Oneata stated the roof would be at least \$5,000 and the interior would be at least \$4,000 plus plumbing issues. It would be at least \$10,000 for repairs along with the \$25,000 they owe so it would be \$35,000 into this home.

Discussion took place about what if a similar situation happened, the house was in a dangerous building condition, but there were no liens, taxes were current and met all qualifications.

Oneata stated that the inspectors would go out and see that the house is not livable; they would have to be told that they should think about relocating and the City would not be putting money into the home.

Oneata reviewed that in the case she was referring to, the owners had come to the office requesting help with the roof; upon inspection it was found that the interior had been so damaged and there was raw sewage coming up in the yard, becoming a health hazard for surrounding properties. She said the family came into the office and after discussion of the options, they did not want to move.

Mr. Carter stated even though it's difficult, they really need to move.

Further discussion took place on different situations with extreme conditions.

Oneata stated she believes this is the first house she remembers being considered condemnable asking for assistance.

Oneata started the discussion on the other case before the board, a case where there is a forever lien and needs a new roof. She had paid her half down and currently owes \$2500. She has always paid in a timely manner.

Mr. Carter stated that since she has been diligent in paying and does not owe that much more on the loan, he would not have a problem giving her assistance.

Commission Markowski asked if there was a way to see how many forever liens there were so in the future they would have more knowledge of each case.

Mr. Carter agreed and said that the best way to decide would be on a case by case basis.

Commissioner Markowski reviewed the previous case and what their options were, which was to pay for relocation and forgiving his debt.

Oneata agreed and said there were several options for comfortable living arrangements.

Mr. Carter it just needed to be laid on the line that he had 2 options and needed to move.

Oneata said she would wait and see what the Safebuilt inspectors found on their next inspection.

Discussion took place regarding the forever liens.

Oneata stated there were approximately 10.

Mr. Carter stated he would like to see each case and didn't want to have a similar situation like the current one with the condemnable home happen again.

Oneata said they could show what the lien started out at and what is still owing, etc. She also suggested possibly going to visit the homes with a substantial amount still owing to see what the condition is currently.

Mr. Carter said they could be notified of other services available if something arises.

Mrs. Ford moved that the Monroe property be denied assistance to repair the property. She further moved that the Harding property be granted to receive assistance for the roof.

Mrs. Randall seconded the motion for the Monroe property.

Roll call was taken and it passed unanimously.

Mrs. Quinn seconded the motion for the Harding property.

Roll call was taken and it passed unanimously.

Oneata stated that the forever lien reports will be brought back as a Staff Report.

STAFF REPORTS

Oneata stated that the 5/3 E-Bus was coming back to Muskegon; it was last here in 2011. It will be located at the Muskegon County site in July. Several county offices agencies and vendors will be present; the City of Muskegon will take part to share our programs and the City of Norton Shores will be represented. There will also be home-buyers education will be there also to open accounts.

The agreement between the City of Muskegon and the City of Norton Shores is due for renewal at the end of June. It was going to go to their Commission on May 7 to extend the agreement another two years. All portions of the agreement would remain the same.

Oneata explained that they had recently been mandated by HUD to spend a large amount of surplus money by May 2 so the City of Muskegon helped them set up some programs to reach that goal and it was met. Most of the money was used to update Avondale Park.

The HOME Consortia document and letter is ready to be submitted to MSHDA. If approved we will be able to assist citizens in Norton Shores, Roosevelt Park and hopefully Muskegon Heights with HOME funds. Muskegon Heights has not signed on as of this date but are still hopeful they will.

Oneata explained that there is a timeline to be met for submitting to MSHDA and getting certified. She further stated that Muskegon Heights could come on board at a later date but they would not be on the initial application. If the consortium is approved, there would be another person hired for the department to be in charge of the program and work with the other communities.

Commissioner Markowski asked if calls coming into the department were tracked by which community they were calling from and that it may be persuasive to show how many calls were coming in from Muskegon Heights and other areas.

ADJOURNMENT

Oneata stated that the next meeting would take place June 4, 2013.

Mrs. Ford moved to adjourn the meeting and was seconded by Mrs. Randall.

The meeting adjourned at 6:45 p.m.